

RESOLUTION NO.

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE AUTHORIZING THE DIRECTOR OF PUBLIC WORKS TO APPROVE A CONTINGENCY AMOUNT OF \$1,330,000 FOR THE SAN JOSÉ ENVIRONMENTAL INNOVATION CENTER PROJECT REBID, CONDITIONED UPON THE NECESSARY APPROPRIATION ACTIONS BY COUNCIL

WHEREAS, in June 2010, the City of San Jose (“City”) completed Phase I of the San José Environmental Innovation Center Project (“Project”), located at 1608 Las Plumas Avenue on a 4.2 acre site with an existing 46,000 square foot warehouse; and

WHEREAS, the proposed Phase II of the Project, for which bids were received April 29, 2011, will include renovation of the existing warehouse to include: a Clean Tech Demonstration Center where innovators will test clean and renewable energy projects; conference space for environmental workshops and job trainings; a Habitat for Humanity ReStore to sell discounted new, like new, and surplus construction materials; and the addition of a new 10,000 square foot permanent Household Hazardous Waste drop-off facility for the convenient and safe disposal of hazardous household items by property owners; and

WHEREAS, on the date this resolution is adopted, Council approved the award of the contract for Phase II to Applegate Johnston, Inc., the lowest bidder, without approving a construction contingency for the awarded contract; and

WHEREAS, staff has not yet identified a source of funding for such construction contingency; and

WHEREAS, the Council is intending to ultimately fund Phase II of the Project, including the construction contingency, through the New Markets Tax Credit (NMTC) transaction;

WHEREAS, if the Project is successfully funded through the NMTC transaction, then the Council intends to appropriate 12 percent of the contract amount (\$1,330,000) as the construction contingency;

WHEREAS, if the City is unable to close the NMTC transaction, it intends to fund the project through an alternative funding plan that would require reducing the scope of the work and the contingency to 8 percent; and

WHEREAS, the City Council desires to delegate to the Director of Public Works the authority to approve a contingency of \$1,330,000 for the construction contract for Phase II of the Project, conditioned upon the necessary appropriation actions by Council from NMTC funds.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SAN JOSE THAT:

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The Director of Public Works is authorized to approve a contingency amount of \$1,330,000 for the construction contract for the San José Environmental Innovation Center Project ReBid, conditioned upon the necessary appropriation actions by Council from NMTC funds.

ADOPTED this _____ day of _____, 2011, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

CHUCK REED
Mayor

ATTEST:

DENNIS D. HAWKINS, CMC
City Clerk